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Letter dated 31 December 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1518 (2003) addressed to the President of the Security Council

I have the honour to transmit herewith the report of the Security Council Committee established pursuant to resolution 1518 (2003), containing an account of the Committee's activities from 1 January to 31 December 2004 (see annex). The report, which was adopted by the Committee today, 31 December 2004, is being submitted in accordance with the note by the President of the Security Council of 29 March 1995 (S/1995/234).

(*Signed*) Mihnea **Motoc**
Chairman
Security Council Committee established
pursuant to resolution 1518 (2003)

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Annex

Annual report of the Security Council Committee established pursuant to resolution 1518 (2003)

I. Introduction

1. The present report of the Security Council Committee established pursuant to resolution 1518 (2003) covers the period from 1 January to 31 December 2004.

2. For 2004, the Committee's bureau consisted of Mihnea Motoc (Romania) as Chairman and the delegations of the Philippines and Pakistan as Vice-Chairmen (see S/2004/4).

3. During the reporting period, the Committee held four informal meetings, on 4 February, 16 November, 30 November and 20 December 2004.

II. Background

4. The Committee was established by Security Council resolution 1518 (2003) of 24 November 2003 to continue to identify, in accordance with paragraphs 19 and 23 of resolution 1483 (2003), individuals and entities whose funds, other financial assets and economic resources should be frozen and transferred to the Development Fund for Iraq. According to paragraph 23 of resolution 1483 (2003), the freeze and transfer apply to funds, other financial assets and economic resources of individuals and entities associated with the former Iraqi regime, i.e., funds, other financial assets and economic resources removed from Iraq or acquired by Saddam Hussein or other senior officials of the former Iraqi regime and their immediate family members, including entities owned or controlled, directly or indirectly, by them or by persons acting on their behalf or at their direction; as well as to funds, other financial assets and economic resources of the previous Government of Iraq or its State bodies, corporations or agencies located outside Iraq.

5. As mandated by paragraphs 1 and 2 of Council resolution 1518 (2003), the Committee continued to update the lists of individuals and entities already identified, as well as adopted the guidelines and definitions previously agreed, by the Security Council Committee established pursuant to resolution 661 (1990) concerning the situation between Iraq and Kuwait, which was terminated as from 22 November 2003, pursuant to resolution 1483 (2003).

III. Summary of the activities of the Committee

6. On 4 February 2004, the Committee convened its first informal meeting to discuss its future work.

7. On 23 February 2004, following consultations of the Committee on 4 February, the Chairman transmitted a note verbale to Member States, inter alia, reminding them of their obligations with respect to the freeze and transfer of funds, other financial assets and economic resources in accordance with paragraphs 19 and 23 of resolution 1483 (2003). During the reporting period, the Bolivarian Republic

of Venezuela and Lebanon replied to the communication, on 26 August and 7 September 2004, respectively.

8. At its informal meetings on 16 and 30 November 2004, the Committee discussed a letter transmitted by the Permanent Representative of Switzerland to the United Nations to the Chairman of the Committee, dated 5 November 2004. In the letter, the lawyers of an individual and an entity on the Committee's assets-freeze lists expressed their wish to discuss the introduction of de-listing procedures with the Committee and requested that the individual and entity be de-listed. The Chairman informed the Permanent Representative of Switzerland in a reply dated 3 December 2004 that the Committee had discussed the request, had it under consideration and would welcome additional justification and relevant information in support of the request.

9. In a letter to the Chairman of the Committee dated 11 November 2004, the Permanent Representative of Iraq to the United Nations requested permission to address the Committee at one of its meetings. Following discussions at its consultations on 16 and 30 November 2004, the Committee invited the Permanent Representative of Iraq to its informal consultations on 20 December 2004. At that meeting, the Permanent Representative of Iraq discussed with members of the Committee matters pertaining to the mandate of the Committee.

10. During the reporting period, the Committee updated its lists of individuals and entities three times, adding the names of 27 individuals and 201 entities to the original lists of 55 individuals and 5 entities earlier identified by the Security Council Committee established pursuant to resolution 661 (1990).